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THE
RECIPROCITY TREATY.

(From the British American Magazine.)

1864
(6)

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RECIPROCITY TREATY.

BY A. A. B.

What is a Reciprocity Treaty? Is it not one, by which the contracting powers bind themselves to grant one another identical privileges; or failing these, equivalents for what one grants, but which the other has not the power to bestow? The object of a Reciprocity Treaty, then, is to secure equal advantages to both sides, whatever be the means, by which differences are balanced, and equality maintained.

There is a Reciprocity Treaty between the United States, or the remaining portion of them represented by the government at Washington, and the British American provinces; and the time is come, when either party, by giving twelve months notice, can bring it to an end. Mr. Morrill, of tariff notoriety, has given notice of motion, or resolution,—whichever be the correct expression—to authorize the President of the United States to annul it; but this having been opposed by those, who wish the Treaty to be renewed, it has been referred to the Committee on Commerce, and the committee on Foreign Relations, whose Reports may very possibly be published before this article is printed. What they may recommend is but of little importance in reference to the writer's present object. His business is not so much with the provisions of the Treaty, which he leaves to practical statesmen, and men of business; as with its political bearing; he would look at it in its political, rather than its commercial, aspect.

The Treaty, as originally made and agreed to; the Treaty that is, which has been in operation for the last nine years, and the existence of

which is now threatened, appears on the face of it to be just ; being in fact, what it professes to be, a real Reciprocity Treaty ; one, that gives equal advantages to both parties. What, then, have the Americans to complain of, that they are desirous, some of annulling it altogether, others only of modifying it ? The only intelligible cause of complaint they appear to have on commercial grounds is, that the Reciprocity Treaty is reciprocal ; that they have not a preponderance of advantages ; and that the British government has done them the grievous wrong of having secured to the colonies the same advantages it gave to the States. Regarded from this point of view, the Reciprocity Treaty may be a grievance, and require to be modified ; and it is not altogether to be wondered at, if the Americans, that is, such of them as look upon it as a commercial treaty, from which purely commercial, and not political, advantages were to be derived, should require it to be greatly modified. It must be provoking to a people, priding itself upon its smartness, to be so hardly dealt with in the framing of a commercial treaty as to gain only dollar for dollar, cent for cent. It must be mortifying to be unable to brag of having again doubled upon John Bull, and to be obliged for once to confess to having made a treaty, from which the contracting powers obtain equal advantages. Considering all this, it is not to be wondered at, that they should threaten to annul it, and restore the relations, now happily subsisting between themselves and the provinces, to the state, from which it has rescued both, in order to obtain its modification in their own favour. Nor are these the only ones who call for its being annulled. We must remember the strong party in the States, who had only political objects in view, and consented to the Treaty, only because they hoped it would be the means of Americanizing Canada, and leading her to seek annexation as a boon ; these make no secret of their disappointment, and because their hopes have been thwarted, refuse any longer to support it. Again, there is the protectionist party, represented by Mr. Morrill, who would annul it, because its provisions are in antagonism with their principles ; and thus, what with the efforts of this party and those of the political one, together with the folly of the commercial one, that would pretend a desire for annulling, in the hope of modifying, the Treaty, it would not be astonishing if the Americans should end by undoing the work of reciprocity. Many things are impelling them to act foolishly ; and not the least powerful among them is the wild passion of hatred, which actuates them in all their dealings with England, and which gives to the greatest sacrifice the appearance of gain, if only by making it, they can injure her, or humiliate her government. But while there are so many things concurring to change the commercial policy of the States in reference to Canada, and the other British American provinces, and with a fair prospect of success, it is, on the other hand, still quite possible that

the merchants may come to their senses, and beating both the politicians and protectionists, compel the Washington government to be reasonable, and to act wisely in the interests of its people; because in their present financial condition the loss of the Trade, that the Treaty has called into existence, could not fail to be most seriously and extensively felt. With all the commerce of the Confederacy cut off and destroyed by the operation of the war, a commerce that could not be restored to its former magnitude for generations, should the Confederates establish their independence, and which would be destroyed for an indefinite period, should the Federals succeed in conquering them and emancipating the slaves—for then the fate of St. Domingo would overtake the South—Northern prosperity can only be re-established by an extension of its trade in quarters but little explored hitherto. Now the trade of the British provinces would go a great way in filling up the gap in that of the North, which will become painfully manifest as soon as peace shall have put a stop to its present fictitious prosperity, caused by an enormous war expenditure, and buoyed up by an inflated currency. For it is certain, however unwilling the Americans may be to believe it, or incapable of perceiving it, that with peace will come a ruinous collapse, the more terrible, the longer it is deferred. With the government expenditure stopped in a day, all the trades connected with the making of munitions of war, the supply and forwarding of clothing, provisions, in short of everything necessary for an army of 600,000 men in the field, will be suddenly brought to a stand-still, and wages cease to be paid. At the same time several hundred thousand men will be disbanded, and enter into competition with those thrown out of work by the restoration of peace, and necessarily cause a reduction of wages throughout every department of labour,—it was so in England at the close of the war with Napoleon, and similar causes must produce similar effects in the States—and while a large standing army will have to be maintained at immense cost, and interest on the debt will of itself swallow up more than the whole revenue of the Union before secession, great and crushing burdens will be laid upon the people at the very time they will be most unable to bear them. Nor, to escape from their difficulties, will they be able to repudiate their debt; for as it has not been contracted with foreigners, they could not gain a cent by doing so: they must bear their burdens, or the government must be bankrupt. This is their only alternative; and whatever be their choice, a fearful collapse must ensue. Any healthy trade, then, such as that between them and the provinces must be of so great value as to make the chances at least equal, whether they will retain it, and continue the Treaty, or recklessly throw it away in order to vex, and if possible, humiliate England. On the supposition, then, that the States would be willing to continue the Treaty, the policy of the Colonies is to wait

patiently ; but if they should act foolishly, the question at once presents itself, are there any means available for repairing the loss the colonies would suffer by its being annulled ?

A closer, and ever closer, connection with the States is desired by many as the means of eventually throwing down the Custom-houses on the frontiers. Before inquiring into the desirability of this, let us consider what it is that has led to the formation of the wish, and what would follow on its realisation. There are in the colonies, and notably in Upper Canada, two leading parties, whose sympathies are with the States and England respectively ; and it is the former of these, that wishes to tighten the bonds, that unite them with their neighbours across the lakes. Now, what is it that has hitherto led them to wish to mould their future institutions on the model of those of the States, and seek in the first instance for close and intimate commercial relations with them, as a likely means for obtaining their end. One need not look far to discover it in an admiration of Democratic Republicanism ; nor what it is that has impelled them to prefer democratic, to a monarchical, form of government ; to warm in their affections towards the States, and to cast in their love for the land from which their fathers came. The people of the colonies lack the dignity of a recognised nationality. And as there is little scope for ambition in provincial distinction, many have turned, naturally turned, in the direction of the States, where they have before them a powerful nation, and the rewards and distinctions to be acquired in its service. In the colonies there can be but little promotion ; and even when it has been obtained, the holders of office are ignored by the world, and are unknown beyond their own limited spheres ; whereas the ministers of a nation like Greece, or Belgium, or Portugal, or even of one of the wretched South American republics, possess a recognised position, and treat on terms of equality with those of the greatest empires. Hence, men unconscious of, or perhaps unwilling to recognise, the hidden springs that govern their motives, turn instinctively to honour abroad, when it is denied them at home, and seek among a kindred race a participation in distinction, and a way to social position, which their own institutions deny them. The yearning for social position, for rank, for honourable distinction, impels, a Frenchman to the cannon's mouth, that he may gain a piece of red ribbon with a cross dangling to it. The same craving leads an Englishman of rank and wealth to undergo the drudgery of public life, that after many years of service he may place a coronet on his brow or tie, a blue garter round his knee. It leads men in a bald democracy, like the States, to scramble for office and money ; by which alone they can gain consideration ; and it makes colonists, impatient of provincial obscurity, eager to clutch at the first offer that promises them the means of satisfying it. But although ambition may draw men in the

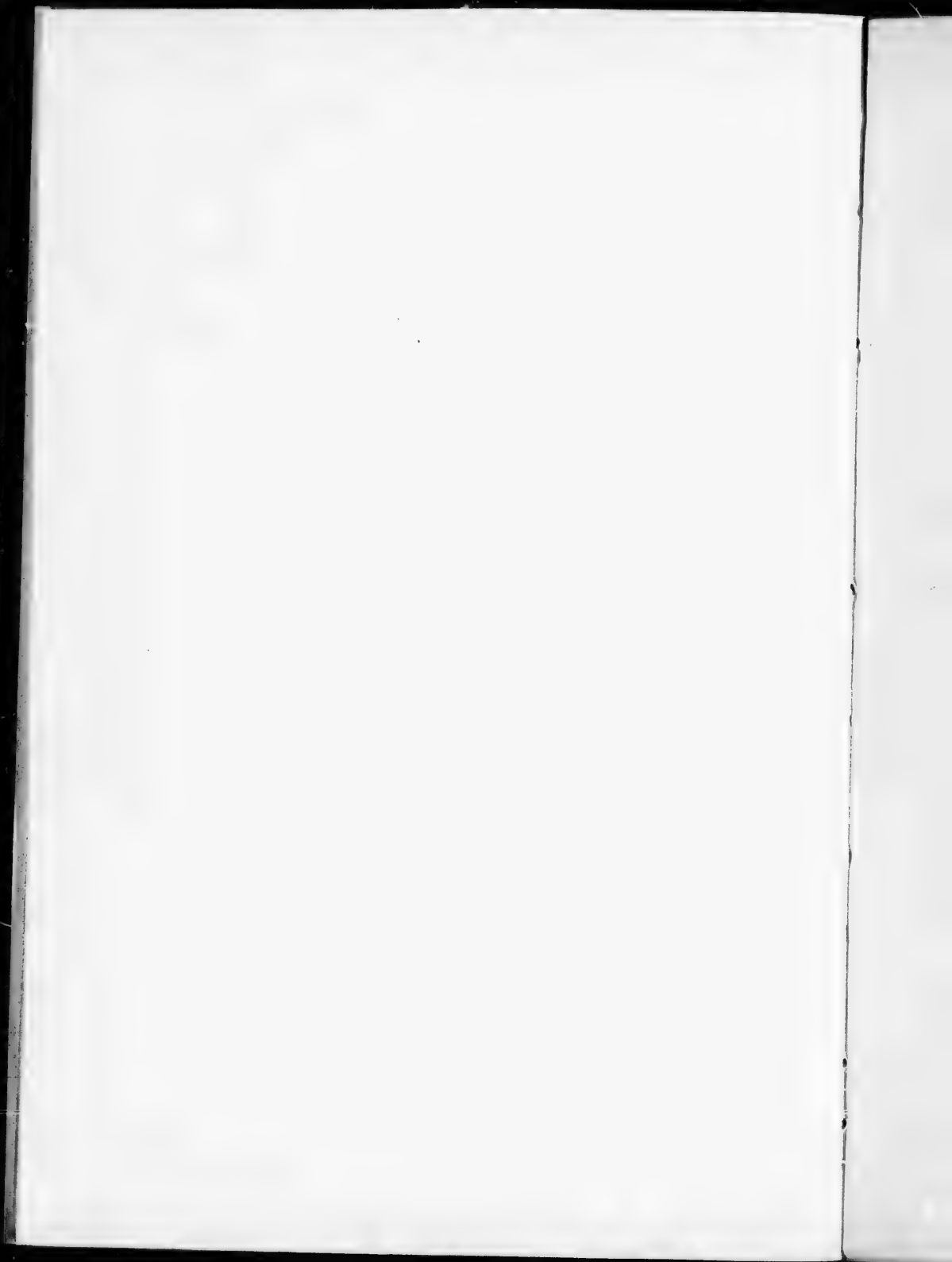
direction of the States, and allure them with the expectation of such advancement as a republic can afford, it would nevertheless be well for them, it would be well for the people of the provinces generally, to reflect upon the price they would have to pay for the chance, that one born among them might, in the course of a century or two, become the President of the United States; if indeed the Union of even the Federal States should outlast that generation of men, who already have numbered fifty winters. For what does Union with the Federal States mean? Does it not mean the irreconcilable hatred of those of the Confederacy, a debt already counted by thousands of millions of dollars, and still increasing; an immense standing army to keep the Southern States in subjection, should the North succeed in conquering them, and a scarcely smaller one should the South secure its independence; and does it not in all probability mean, when the war is over, and its cost must be paid, when wages are low and taxes high, that the Western States, which have already shewn signs of impatience, will repudiate their share of the debt and the responsibilities of the Federal Government, and free themselves from them by seceding as the South has done. Annexation, whatever it might have meant formerly, now means debt and difficulty; quarrels and contests, that are looming in the future, and only await the end of the war to break out with fierce malignity. Men talk of levelling the Custom-houses on the frontier in the secret hope of ultimately wiping out those frontiers from the map; and though to level them for commercial purposes might be made beneficial to the provinces, yet to level them from political motives would be only to court anarchy and bankruptcy, and to throw away national independence in the pursuit of them.

But if it is desirable to throw down Custom-houses, are there none but those on the Southern frontier, the removal of which would be an advantage? Are there none between Canada and the maritime provinces, that are an obstacle to trade, and the most desirable political Union? Could not these be removed, and room be made for the only practicable zollverein; and would not their removal be the means of uniting men, whose union is pointed out as a logical deduction from facts, a union the most natural, and therefore the best. But men are ambitious! Be it so; and would there not be a sufficiently wide field for them in the kingdom that the provinces would naturally fall into; and would not the rank and honour, that could be won under an English prince seated upon an American throne, be as precious in themselves, as respectable in the eyes of Europe and America, as the distinctions that can be conferred by the decision of a caucus, or the votes of an ignorant mob led on by fustian politicians and stump orators?

And on the seaboard, are there not custom-houses, the doors of which might be made to open more readily to the English manufacturer with

profit to the colonist? Having responsible government, and the right of raising their revenue in the way they consider best for themselves, the colonies have not hesitated in the exercise of their right to tax the manufactory of Lancashire so highly as almost to exclude them; and the English manufacturer has been obliged to acquiesce in the legality of the act, though he thinks very meanly of its wisdom both on commercial, and political, grounds. Now if, as many things seem to indicate, the Americans in their desire to grasp at greater advantages than the Treaty gives them; should offer to renew it on condition that their manufactures should be admitted into the provinces free, or at a nominal duty, colonial manufactures being admitted into the states on equal terms, and the people of the provinces should, for the sake of the advantages the Treaty gives them, accede to the proposition, then it is certain a great and rapid change would come over the public mind in England. As it is, the Lancashire manufacturers make no secret of their dissatisfaction, and ask why England should bear the expense of the protection of the colonies, when they legislate towards her, as if she were a rival, and her people foreigners. Now should any favour be granted to the Americans, the men of Lancashire would not be slow to point out, that as colonial manufactures are few and of little value, any arrangement, such as that supposed, would be simply a creating of differential duties to favour American trade, and they would speak out more loudly still, and the people of England would most probably listen to them, and declare their conviction, that since the Colonies have responsible government, and in the exercise of their right legislate wholly for their own interests, it is time that with the rights, they should also assume the duties, of a nation; and that we in England should no longer pay for their defence; that granting them full and entire independence, and withdrawing all claim upon their allegiance to the mother country, we should also withdraw our troops, and such munitions of war as are the property of the Imperial Government, and leaving intact the immoveable property in forts, barracks, and so on, which though built at our expense, could be of service to the colonies, we should henceforth be in name, as late legislation has been making us in reality, two separate and distinct nations. There is nothing imaginary in this. The Hon. Mr. Galt will be able to say, that such language as this was held towards him two years ago, when he was at Manchester on business connected with Canada; and the writer, living in the manufacturing districts, can aver from his own personal knowledge, that there is a strong and growing conviction in the minds of those, who greatly influence the acts of the English Government, and which, from what is said elsewhere, exists in high quarters, that as our hold on the colonies is very slight, scarcely more than nominal, and the benefit derived from them no greater than it would be, if they ceased to belong to us, that it would be to the advan-

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tage of England to sever the connection, and acknowledge their independence; and were it not for the reluctance all men feel to break old ties, and to look with strange eyes upon them, to whom they are united by blood, this conviction, and the feelings flowing from it, would grow more rapidly than they do. One thing is certain. England will not part from her present colonies in hot anger after a fierce struggle, as she did from the United States. The lesson derived from that contest has not been thrown away upon either her statesmen, or her people; and the consequence is, that she will be more eager to force independence upon the colonies than they to receive it. Hence, therefore, while England will not threaten her colonies, nor endeavour to coerce them, but leave them in full liberty to follow their own destiny, they must be prepared for the result of their own acts, nor deem it strange, that she should free herself from heavy expense, and entangling treaties, when she is fettered by these and burdened by that, for the exclusive benefit of those, the tendency of whose legislation, since they have had full power to legislate according to their own will, has been to throw upon her every expense they could fix upon her, and withhold any benefit in return.

It would be well for Canadians to study their relations with England from the English, as well as the Canadian, point of view. For it is manifest to those, who watch the workings of the public mind in England, that the above is the direction, in which it is advancing. There is no feeling of enmity towards the colonies. On the contrary, though there may be—nay, there is—disappointment, grievous disappointment, there is also a hearty desire to be, and to remain for ever, fast friends: we cannot forget what the gallant Southron, Capt. Tarleton remembered in our late war with China, before Secession had made him an alien to the United States, "Blood is thicker than water." Still, there is also a decided conviction that the time is fast approaching, when the colonies should do more, and England less; that the relations between them must be greatly altered.

It is on every account desirable that the people of the British American colonies should bear this fact, for it is a fact, in mind. Whether right or wrong, England is becoming indifferent to, almost weary of, extensive empire; as she has lately proved by refusing to take possession of the Fiji Islands at the desire of her merchants, backed up by the request of the islanders; and also by her voluntary withdrawal from the Protectorate of the Ionian Islands, and the surrender of them to the kingdom of Greece. She is willing to stand by her colonies; witness her late colonial wars in New Zealand and the Cape of Good Hope, if only these will stand by her, and make themselves an integral part of the empire by bearing a just share of its burdens. Having with Free Trade opened her ports to the world, and with responsible government relinquished all

claim to exclusive rights in the colonies, she no longer requires them as the means of acquiring wealth ; and, consequently,—it cannot be too strongly insisted upon—as she desires no benefit from them, that would be denied her, if they were independent, she is no longer bound to them by interest, but is united to them by sentiments of kindness alone. Her relationship towards them now is, in fact, that of a parent to grown-up children. She is fond of them ; proud of them ; but she begins to feel them burdensome, and to wish they would go out into the world and do something for themselves, and not remain at home hanging upon her : she would be content to preserve the connection between them and herself ; but it must be at the express desire of the colonies themselves, which, according to English notions, must be manifested by their taking upon themselves the chief portion of the expense of their own defences, and by legislating in a spirit more favourable to her interests, and so repay her indirectly for the enormous sums she has expended upon them. The question of the renewal of the Reciprocity Treaty gives a good opportunity for the consideration of the latter of these two subjects ; and the British American provinces, and Canada in particular, would act wisely by inquiring how their relations with the mother country stand, and what they are likely to become ; since, if the colonies wish to retain the existing connection, they must be ready to do what is in their power to assist their fellow-subjects at home by reciprocating benefits. Now the question of the renewal of the Treaty is as much political as commercial ; in the present condition of the States, perhaps, more so ; and therefore it ought to be considered under both heads.

Commercially, the renewal of the Treaty would be a benefit ; and politically, it need not be productive of injury ; consequently, it is the policy of the provinces to get it renewed. So far there can be no difference of opinion ; but then there arises immediately the question of the conditions on which it ought to be renewed, and the probable future of the provinces. The question of conditions is political, because it involves the relations between the provinces and the mother country ; and as this part of the subject has already been discussed, there remains only the consideration of the absolute renewal or rejection of the Treaty. Now it has been shewn above, that on the supposition of the willingness of the Americans to renew it, the policy of the Colonies is to wait patiently, and leave them to do so ; and as they are now moving in the matter, the only course for adoption is to wait and see whether any change will be demanded by the States ; or whether the West, which is so largely interested in the maintenance of it, will be able to resist and overcome the movement begun by the protectionists. Should, however, the West be beaten, and a compromise be come to in the States, by which Canada and the provinces would be required to grant favourable conditions to the States, then

the time would be come to consider what ought to be done; for it would be then that the political bearing of the subject would become of vital importance, and the colonies would have to decide whether they would retain the English connection, or reject it for that of the States. Supposing it to be determined to remain true to the mother country, what would be the probable result of such a decision. In other words, if the Treaty be annulled, to what may the Colonies look to indemnify them for the loss they would sustain.

The answer to this question must be sought for in the probable political condition of the union in 1865. The Federals are fighting to retain the Union, and are apparently resolved to make any sacrifice to prevent its destruction; while the Southrons are as resolved to sacrifice everything to destroy it. Which will be victorious? A Frenchman's shrug of the shoulders is the only answer to the question; but one thing is certain in the midst of uncertainty, which is, that whatever the end of the war may be, it will only be brought about at an enormous cost, represented by a debt, which is marching with giant strides to reach a nominal amount equal to that of England's debt, and which, in consequence of the different rates of interest paid on the two debts, is already equal in reality to the one that is nominally greater. But when the war is over this interest must be paid; add to it the other burdens, also the result of the war, that must be borne by the people, and we have an amount of taxation that they have never yet contemplated, and are in no degree prepared for. Now the question is, will the Western States, when pressed by the tax-gatherer, repudiate their share of these burdens and secede, or not? The answer is in the obscurity of the future; but it is not impossible, nay, it is very probable, that they may. Should they do so, then the Union being still further divided and weakened, Canada and the provinces, if united among themselves, would be brought politically more on a level with what remained of the Union, and would be able to make a treaty with the West, as favourable as the present one is, because the West requires it as much as they do; and also, by lowering their duties on English goods, they, and especially Canada, by opening a transit trade, would be the brokers and carriers between England and the West, and would gain double profits on every transaction. Now in the case supposed, political union among the present provinces is the foundation, on which their prosperity would be most securely built; because their Tariffs being then one, unity of interest would pervade the whole, and the great railway from Halifax to the St. Lawrence, which is now the cause of division and ill-feeling, would become a necessity for all; the main channel of communication between the Far West and England; be a source of equal wealth to all; a feeder of the prosperity of Toronto and Quebec,

as well as the cities of the maritime provinces ; and the means of rendering the union national as well as political.

But, supposing the Western States should after all remain faithful to the Union ; and, improbable as it may appear, be content to share its burdens ; what would be the prospects of Canada and of the maritime provinces then, the treaty having been annulled ? Let us consider them under the only two possible heads ; peace, or war between the States and the provinces.

And first, supposing peace should subsist between them. Now, although true to the Union, yet the people of the Western States, having once enjoyed the advantages the Treaty brings with it,—and their trade has increased nearly ten-fold, since it came into operation,—would do as others have done under similar circumstances before them ; their loyalty would pale before their interest ; and they would practise secretly what they would be debarred from doing openly. They would still pursue their trade, but it would be a smuggling one. And with high protective duties, and hundreds of miles of frontier open to the smuggler, it would be impossible for the Federal government to keep out English manufactures, if only the provinces were to legislate in favour of England, and fix light duties on her products. New England might rave, and New York storm, but that would scarcely prevent the States in the valley of the Mississippi from seeking their best and cheapest market, which would be England, by way of Canada and the provinces. But again, what has already been said of union among the provinces, applies with equal force here. Union must be the basis of prosperity.

But on the supposition that the Western States remain true to the Union, another alternative, presents itself ; one of infinite importance to Canada to consider well, and the one most likely to occur. For, among the certain results of the war is this, that the States will become—indeed are already become—a great military power ; consequently, a large standing army will play an important part in their future system of government. But this necessarily involves a great change in the mutual relations of the provinces ; and they must be prepared to oppose army to army if they wish to remain independent in the face of their powerful neighbours. They can no longer remain separate, for that would be to invite annexation ; and as England will not bear the whole, or even the greater portion, of the expense of their defence, but would probably confine her aid to a few thousand men to be the instructors of the provincial armies, and such artillery, and the heavier munitions of war, as they could not well provide ; they must, unless content to be annexed, they must unite for self defence. Nor is the necessity for union so remote, as may at first be supposed, since there is the very

great probability, that under the pressure of financial difficulties, their neighbours may be driven to imitate the first Napoleon, who annexed states and provinces to his empire for the sole purpose of replenishing his empty treasury. When the present war is over, great will be the temptation to seek relief from heavy taxation by seizing upon the revenues of the provinces, and at the same time, prevent the loss to the treasury, which is sure to follow through the prosecution of illicit trade, if they remain independent. Hence annexation, while always probable, might become a necessity. Now, does Canada, do the provinces, desire to be annexed to the States for the sake of supporting their high tariffs, and being burdened with their debts? And yet it cannot be denied, that these, and only these, would be the real ends to be served by annexation. But if Canada wish to remain independent, what ought to be her policy to secure her object? She must not look to England for her defence; because England will not undertake it, nor bear the burden of it. She would assist, no doubt, in the way pointed out before; but even then the amount of her assistance would be measured by the amount of favour shewn to her by her colony. Let Mr. Galt's experience of the English temper, let the discussions in parliament on Canadian affairs, be appealed to, to determine the truth of this assertion. But if Canada be thrown on her own resources, is she prepared to cope, single-handed, with the States? Must she not seek for allies; and where will she find them, but in the maritime provinces? Union, then, is the first condition of independence, as well as of prosperity; union among themselves. With union established, and all the powers of the people pledged to their defence; with the connection with England drawn closer by a legislation that shall be national and not merely provincial, imperial and not only colonial, then would the British American Provinces be in a position to maintain themselves in the face of the world, and work out their own happiness in their own way. On any other terms than these, they must submit to the disgrace of being annexed as a prey to a bankrupt people. Their true interests point to the English connection; their independence requires them to be united. Union on English, that is, on monarchical principles, as opposed to the democratic principles of the States, is the only basis on which they can expect to raise the structure of national independence and commercial prosperity. A monarchy for the provinces; monarchical institutions for the people; these give promise of freedom for themselves, and of influence among the nations of the world; while that wretched sham, and trumpery make-believe, Democratic Republicanism, if established among them on the model of the States, would only lead them, as it has hitherto led all states that have tried it, and is now leading their neighbours, to anarchy and bankruptcy; to military despotism and subjection to a master.